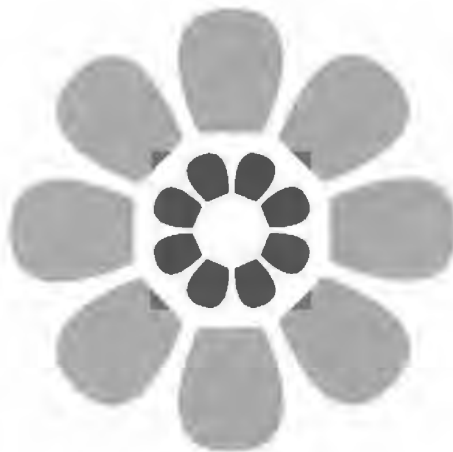


**Union Chapel**

**Trustees' Annual Report and Financial  
Statements for the year to 31 March 2024**

**Charity Number 1172808**



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**Reference and Administrative Information**

<b>Deacons / trustees</b>	Claudina Edwards	
	MG Jones (Church Secretary)	
	Liz Walker (Fabric Deacon)	(until 25 January 2024)
	Huw Williams	(from 25 January 2024)
<b>Minister</b>	Rev. Vaughan Jones	
<b>Treasurer</b>	Dr. Philip Cotterell	
<b>Charity number</b>	1172808	
<b>Legal status</b>	Union Chapel is an unincorporated charitable trust governed by a trust deed	
<b>Principal address</b>	Union Chapel 19b Compton Terrace London N1 2UN	
<b>Bankers</b>	Lloyds Bank	NatWest Bank
	19-20 Upper Street London N1 0PJ	40 Islington High Street London N1 8XB
<b>Accountants</b>	Goodman Jones Arthur Stanley House 40-50 Tottenham Street London W1T 4RN	
<b>Solicitors</b>	Bates Wells	Bolt Burdon
	10 Queen Street Place London EC4R 1BE	Providence House Providence Place London N1 0NT
<b>Surveyors</b>	Goodman Mann Broomhall	Price Taylor
	118 Piccadilly London W1J 7NW	108-109 Upper Street London N1 1QN

## **Governing Document**

Union Chapel (hereafter "UC") is a Congregationalist church affiliated to the Congregational Federation. It is an unincorporated charitable trust, initially established and governed by an indenture dated 18 September 1889.

In 2018 UC made substantial changes to that indenture. Those changes were motivated by the desirability of bringing the content up to date, and in particular by the need to have UC's relationship with the Congregational Federation – described below – correctly set out in its governing document. Because the original 1889 indenture does not grant any power of amendment, UC was able to make only changes deemed to be "administrative" and so within the scope of the statutory power of modification conferred by section 280 of the Charities Act 2011.

The Charity Commission has approved a model governing document for use by churches affiliated to the Congregational Federation and, to the extent possible, UC's amended governing document – the "consolidated trust deed" – matches that model document. The text of the consolidated trust deed is therefore a (slightly awkward) amalgam of clauses from the original 1889 indenture and material copied from the model document.

## **Managing Trustees**

The consolidated trust deed establishes that:

- the Managing Trustees are UC's trustees as defined in the Charities Act 2011, and have all powers to control, manage, and administer the church in accordance with the consolidated trust deed and their charitable and other legal obligations;
- the members of the church, acting collectively as and through the Church Meeting, have the power to appoint Managing Trustees;
- the individuals appointed by the Church Meeting to be UC's deacons are also its Managing Trustees, unless the Church Meeting, by passing a special resolution, explicitly decides otherwise;
- each Managing Trustee must be a member of the church, and any Managing Trustee who ceases to be a member of the church also automatically ceases to be a Managing Trustee; and
- each Managing Trustee is appointed for a three-year term, and may at the end of any term be re-appointed for a further three-year term.

The Church Meeting has not passed any resolution which alters the default arrangements, so UC's deacons are also its trustees. (For the avoidance of doubt, neither the Minister nor the Treasurer is a trustee.)

The consolidated trust deed does not place any restriction on the number of Managing Trustees which the Church Meeting may appoint. In practice, the number is constrained by the limited availability of suitable individuals. For the time being UC operates with three Managing Trustees.

When making an appointment, the Church Meeting considers the experience, knowledge, and capabilities that a prospective Managing Trustee can bring to the role, and also the desirability of maintaining diversity among the Managing Trustees.

The Managing Trustees give their time voluntarily; they are not paid and do not receive any benefit from UC in return for their service.

UC does not have any formal induction or training program for new Managing Trustees. Managing Trustees are necessarily members of the church and are appointed by the Church Meeting, so it can reasonably be assumed that a new Managing Trustee has some familiarity with matters of current concern or interest. The Managing Trustees are encouraged to take advantage of training offered by the Charity Commission.

### **Relationship with the Congregational Federation**

The Congregational Federation<sup>1</sup> is the Holding Trustee.

UC's buildings – the church building itself, and the properties at 18 and 19 Compton Terrace, adjacent to the church building on either side of it – are vested in the name of the Holding Trustee and for that reason do not appear as assets on its balance sheet.

The consolidated trust deed gives the Holding Trustee the right to:

- make reasonable requests for information relating to UC's management and administration and the use of its buildings;
- send a representative to any Church Meeting or any meeting of the Managing Trustees; and
- investigate if it has reasonable grounds for suspecting that UC is not complying with its consolidated trust deed, or is otherwise jeopardising its charitable status, or that any aspect of its management or administration is not being carried out correctly.

The Holding Trustee is not under any obligation to exercise any of these rights.

If so requested by a special resolution of the Church Meeting – and not otherwise – the Holding Trustee will assume the role, powers, and responsibilities of UC's trustees in place of the Managing Trustees.

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<sup>1</sup> Congregational Federation Ltd., registered with charity number 267469 and company number 01166357.

## Objects and Activities

UC's charitable objects, as set out in the consolidated trust deed, are to

permit the said piece of ground, Chapel, Vestries, Lecture Hall, School and Class Rooms, and two messuages<sup>2</sup> hereditaments and premises, and any other buildings that may hereafter be erected on the said piece of ground and any parts thereof to be used, occupied, and enjoyed for the public worship of Almighty God in accordance with the belief in the Lord Jesus Christ as the incarnate Son of God and the Redeemer of Men and in the Holy Spirit as the author of spiritual life and with a recognition of the divinely inspired scriptures of the Old and New Testaments as the supreme and sufficient rule of faith and practice, and also for such other religious, philanthropic, moral, intellectual, or social purposes, not inconsistent with such belief and recognition as aforesaid and generally in such manner and by such persons as shall from time to time be directed by a special resolution.

In pursuit of these objects, UC organises and provides:

- weekly Sunday morning services of Christian worship, including a communion service on the first Sunday of each month, and baptisms as and when requested;
- additional services and other activities to mark particular occasions within the Christian liturgical year (primarily Easter and Christmas);
- wedding services;
- funeral services;
- a weekly Bible study (conducted via Zoom, to facilitate participation by individuals who cannot be present in person on a weekday evening);
- pastoral care and support for members of the church, other regular congregants, and others who may from time to time seek such support from the church;
- a community choir, Union Chapel Singers, open to anyone who wishes to participate;
- a series of events focussed on issues of current interest or concern, especially matters of racial, social, economic, and climate justice;
- performances which use the arts to explore and engage with spirituality and culture;
- advocacy for individuals who are disadvantaged or marginalised, to assist those individuals and also generally to encourage diversity and raise awareness of discrimination; and

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<sup>2</sup> "Messuage": a piece of land occupied, or intended to be occupied, by a dwelling.

- various forms of assistance to asylum seekers currently accommodated within the London Borough of Islington (funded by a grant from Islington Borough Council).

UC also pursues its objects through its involvement with two other charities, Union Chapel Project and The Margins Project. This activity is described below.

### **Public Benefit**

In accordance with paragraph 5, section 17 of the Charities Act 2011, the trustees have considered the Charity Commission's guidance on public benefit.

UC's services of worship and other activities are open to all, without limitation or distinction on the grounds of religious faith or otherwise. Most of UC's activities are provided without any charge and this is intended to maintain accessibility for individuals with low incomes.

### **Relationship with Union Chapel Project and The Margins Project**

Union Chapel Project (hereafter "UCP") is a separate organisation – a charitable limited company<sup>3</sup> – established

to promote for the benefit of the public the restoration and preservation of Union Chapel Islington

where "Union Chapel Islington" in this context means the church building. In accordance with a decision by UC that

UCP should be appointed to manage [the building] with a view to its preservation maintenance and wider use for purposes beneficial to the local community

UC has delegated all matters relating to the fabric and operation of the building, including fundraising to enable maintenance and restoration, to UCP.

UCP's Articles of Association establish that

members of the Company shall be those of the minister and the members of [Union Chapel] for the time being who wish to become a member of the company.

Therefore, everybody who is entitled to a vote at any (annual or extraordinary) general meeting of UCP is necessarily a member of UC. UCP's Articles of Association furthermore state that UCP shall have up to seven directors, of whom one shall be UC's Minister (so long as the Minister is able and willing), and up to three others shall at the time of their appointment be members of UC; it is therefore expected that the Minister and selected

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<sup>3</sup> A company limited by guarantee and not having a share capital, registered with charity number 1010166 and company number 02583801.

members of UC shall constitute an absolute majority of UCP's directors. These arrangements are intended to ensure that UC retains ultimate strategic control of its building.

The day-to-day operational relationship between UC and UCP is governed by a Management Agreement which formally establishes matters such as the parties' respective rights to make use of the building. It also specifies certain arrangements for ongoing liaison and co-ordination. In recent years neither party has fully discharged all of its obligations under these arrangements.

The Management Agreement states that

UC shall make an agreed annual donation to UCP towards the maintenance and restoration of [the building] when and to the extent it is able and this will be reviewed annually.

The Margins Project (hereafter "UCM") is a charitable subsidiary of UCP<sup>4</sup>. It provides a range of services intended to relieve need and hardship and to provide opportunities, training, and employment for people who are homeless, at risk of becoming homeless, or otherwise marginalised. UCM delivers a substantial amount – but certainly not all – of that part of the church's activity which can most straightforwardly be described as "charitable".

There are no direct structural connections between UC and UCM; formally, the relationship between the two organisations is entirely through UCP. However, during 2023-24 UC's Minister was the chair of UCM's trustees.

## **Performance and Achievements**

In 2024 Union Chapel celebrated the 225th anniversary of its foundation. It continues its mission as a community of Christians from diverse backgrounds committed to living lives that are spiritual, sustainable, and responsive to the gospel's call for justice and peace. Our charitable partner Union Chapel Project ensures the building is well used, respecting the dignity of a space that is used for public worship. Our programme promotes racial, social, economic, and climate justice from the perspective of our radical Christian faith

Throughout the year, a range of activities took place, including:

- Services each Sunday, attracting a diverse congregation.
- Special services during the major festivals of the church – Advent, Christmas, Lent, Easter, and Pentecost.
- Other services marked Christian Aid Week, Homelessness Sunday, Refugee Week, Black History Month, Pride, Holocaust Memorial Day, and Remembrance Sunday.

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<sup>4</sup> UCM is an "association" Charitable Incorporated Organisation (CIO) registered with charity number 1153070; UCP is its only member.



- A Bible study held weekly with a variety of themes, linked to the church year.
- Our ever-popular "Carols by Candlelight" offered a welcoming space for celebration for people from across the city (and beyond).
- Union Chapel takes full advantage of the organ and of the musical traditions of the church. A pool of professional and experienced musicians enhances the worship with gospel, jazz, and classical music.
- The community choir Union Chapel Singers continues to rehearse and attract new singers from across the borough, and beyond.
- Gospel Arts is an initiative of Union Chapel Church with the ambition to promote gospel music within Union Chapel and includes the Union Chapel Voices ensemble.
- We were able to continue providing wraparound support to asylum seekers temporarily accommodated in two hotels in the borough thanks to the grant from Islington Borough Council.
- The church continued to officiate at weddings, including same-sex marriages, and memorial services.
- Harley Stapleton-Brister, who had joined the staff team, successfully completed his apprenticeship in digital marketing.
- The church continued its support of the Council for World Mission, with Harley Stapleton-Brister attending a training course in India.
- The work of The Margins Project, based at Union Chapel, continues its work as a frontline charity offering services supporting people facing homelessness and other critical living crises.
- Attendance at church has stabilised with an average of over 30 attendees each Sunday.

### **Future Plans (2024-25)**

During the coming year, as well as the activities set out above, Union Chapel will:

- Commence succession planning for a new minister with the retirement of Rev. Vaughan Jones during 2024.
- Initiate a programme of adult education on the basics of Christianity in acknowledgement that the church supports people new to the Christian faith.
- Encourage members of the congregation to study theology at university level.
- Review existing policies and procedures ensuring best practice is followed.

- Continue to work with the family of churches of the Congregational Federation in seeking support in legal and financial compliance; and participating in the activities of the Federation.
- Complete a review on the use of the existing estate including the properties at 18 and 19 Compton Terrace.
- Ensure the church office is set up to enable Union Chapel's employees to undertake their duties effectively.

## **Financial Review**

(All amounts stated in this section have been rounded to the nearest £1,000.)

In 2023-24, UC realised a total budget surplus of £78,000. The surplus on general (unrestricted) income and expenditure was £56,000 and the surplus on restricted income and associated expenditure was £21,000.

At first sight this appears to be a substantial improvement compared to 2022-23. However, there are significant exceptional amounts included in the year's total income which obscure a rather less encouraging underlying situation.

The rent derived from the properties at 18 and 19 Compton Terrace makes up by far the majority of UC's regular unrestricted income. The principal tenants of both buildings vacated the properties during the final month of 2023-24. The unrestricted income for the year includes dilapidations payments totalling £79,000 made by these tenants following their departures, and this exceptional income will be spent during 2024-25 entirely on exceptional costs. Without these payments, UC would have had a deficit on its general funds,

Agreements have been reached with new tenants for both buildings. At 18 Compton Terrace it was possible to arrange a smooth transition with no interruption in or loss of rent. The principal lettable space within 19 Compton Terrace, however, will remain vacant for some months, and it was also necessary to agree an initial rent-free period with the new tenant, so no further rent will be obtained from that space until 2025-26. (Such rent-free periods are a standard component of commercial leases, and the trustees believe that no agreement more beneficial to UC could realistically have been negotiated.)

The surplus on restricted income is really an artefact of the dates on which UC is required to recognise the income. UC recognised a grant from Islington Borough Council of £70,000 in 2022-23 and then a grant of £101,000 in 2023-24. The grant periods begin at the end of October each year, so are offset from UC's financial year by some months. If the income from these grants had been apportioned proportionally across the 2023-24 financial year, and thus aligned with the related expenditure, restricted fund expenditure and income would have been approximately equal.

This grant income primarily facilitates activity which would not be undertaken in the absence of dedicated funding. However, some of the grant is allocated to payroll costs which are part

of UC's core operating costs (see note 8 to the financial statements), so UC's deficit on unrestricted funds would be greater without it. At the approval date it is known that another grant has been secured and this funding will continue for a further year, but UC cannot depend on it continuing indefinitely. (If the new government achieves its stated aim of processing asylum claims more expeditiously, the number of asylum seekers in temporary accommodation waiting for their claims to be assessed will fall, so there will be fewer people in need of support and, presumably, less associated funding.)

UC's reserves on the balance sheet date total £332,000, and the underlying deficit is between £20,000 and £30,000 a year. This plainly requires attention but does not appear to give immediate cause for alarm. However, the exceptional costs arising from the work required at 18 and 19 Compton Terrace, together with the legal and other professional fees arising from the change of tenants, and the temporary loss of rental income from 19 Compton Terrace, are expected to consume up to £150,000 during 2024-25. This will significantly deplete UC's reserves and leave it with much less capacity to sustain an ongoing budget deficit.

Recurrent core operating costs, particularly payroll and associated costs, may be slightly lower during 2024-25 but are expected to increase from 2025-26. At the balance sheet date, it is known that the Communications & Development Worker will leave during 2024-25; in view of the budgetary situation, the trustees have decided not to replace him and to eliminate the position. The Minister has also announced his intention to retire during 2024-25. UC will need to engage a new Minister, and the associated costs are likely to be high, in particular because it will be necessary to provide accommodation – this is the general practice of Congregationalist churches, but is something UC has not had to do for many years. Employment-related costs during 2024-25 will therefore depend quite significantly on the exact dates of departures and arrivals; but in 2025-26 they are bound to be higher than in 2023-24.

Continuing steady increases in unavoidable costs relating to essential management, administration, and governance activities are also anticipated.

In the short term, UC will have to reduce costs where possible – for example, by curtailing its events program. Within a few years at the most, it will have to either secure a reliable and sustained increase in its regular income, or revise its operations in a way which significantly reduces its core operating costs (which will inevitably require some activities to be changed substantially, or abandoned entirely).

### **Reserves Policy**

UC does not have a formal reserves policy. For a number of years income exceeded expenditure and in that context the trustees did not consider it necessary to specify any particular level of reserves which should be maintained.

However, it had been known for some time that the properties at 18 and 19 Compton Terrace would require significant expenditure, at such time as the principal tenants left, to

bring them up to current lettable standards. The trustees set aside £80,000 for this purpose. Both principal tenants ended their tenancies in the final weeks of 2023-24, and in consequence some of this amount was spent during the year; the majority will be spent during 2024-25. The dilapidations payments received from the outgoing tenants have been added to the sum previously set aside, since they are intended to cover the anticipated costs of any work required to restore the buildings to the condition in which they were at the time when the tenancies commenced.

The trustees recognise that it will soon be necessary to start accumulating a reserve against the next occasion on which significant expenditure on the properties is required. In the context of the near-term financial outlook this will be difficult. It is therefore unlikely that UC will be in a position to establish a more general reserves policy for some time.

## **Fundraising**

UC obtains its unrestricted income primarily by renting space in its properties at 18 and 19 Compton Terrace.

UC does not generally solicit donations from the general public. Cash donations are accepted after Sunday services, and a few members of the church donate regularly by standing order. The Treasurer reports UC's financial situation to the Church Meeting from time to time, and it is hoped that members will choose to donate, but the trustees do not believe that there exists any realistic prospect of obtaining very substantial amounts from the members or from regular or occasional congregants.

Further small amounts of unrestricted income are generated by charging for admittance to some events; by operating a bar during some events; and by charging fees for conducting weddings and funerals.

Collections are taken on particular occasions – for example, at the annual Christmas carol concert. These are not for UC's general funds; they are taken either specifically to support the church's work with asylum seekers, or on behalf of UCM.

The community choir – UC Singers – is funded by participants' subscriptions and associated bar revenue.

None of this amounts to significant fundraising activity.

Small grants are secured from time to time, which provide a mixture of restricted and unrestricted income. The major grant from Islington Borough Council, supporting UC's work with asylum seekers, should be understood in terms of the council having a requirement to find an organisation to deliver this work and the church being well-placed to undertake it; this partnership was not conceived as a fundraising measure.

## Risks

The rents obtained from 18 and 19 Compton Terrace made up over 90% of UC's unrestricted income – excluding the dilapidations payments made by the outgoing tenants – during 2023-24. These rents are generally stable and predictable, but UC has no other source of funding from which it could plausibly meet its general costs, so any significant disruption to this income would have serious consequences. The principal tenants of the two buildings are two different organisations (and 19 Compton Terrace also contains a residential flat, and office space let to UCP), which somewhat mitigates the risk of interruption; but, in fact, both principal tenants did depart during the same month. Had a seamless transition of occupants at 18 Compton Terrace not been secured, the consequences for UC's cashflow would have been very severe.

The risks posed by the persistent budget deficit and expected depletion of reserves are detailed above in the "Financial Review" section.

The formal membership and the regular congregation are both growing, steadily, but slowly and from a low base; numbers remain small, and may not be sufficient to secure UC's long-term viability. This is a situation faced by many churches. One particular consequence is that there exist very few individuals who are even technically eligible to become trustees.

At the end of the 2022-23 financial year, UC's trustees had significant concerns about UCP's continuing viability. Those concerns have waned substantially; UCP now has better visibility of its financial position, and its directors are confident that it is not facing an immediate crisis. It remains the case, however, that UC does not possess the resources, skills, and knowledge that would enable it to assume responsibility for maintaining and operating its own building, and that if UCP were to fail, the consequences for UC would be severe.

The preparation of UC's accounts for 2022-23 was inhibited by certain difficulties, disclosed in those accounts, which had as their root cause a period during which UC had neither a Treasurer nor a member of its own staff with responsibility for routine bookkeeping. During 2023-24, UC filled a newly-created staff position with responsibilities for general and financial administration, moved to new bookkeeping software, and was able to introduce and embed some routine financial "best practice" processes. One or two residual problems have been encountered, but UC now has its regular financial operations established largely on proper foundations. There remain some "legacy" issues arising from the fact that bank account signatories were not kept properly up to date for several years; remediating this will not be entirely straightforward.

Some further risks related to financial administration and governance have however become apparent. With so few people involved, it is not possible to avoid significant key person dependencies, especially if any meaningful separation of duties is to be maintained. Furthermore, certain isolated incidents have demonstrated a need to establish some tighter and more effective controls over authorisation of expenditure.

During 2023-24, UC depended on a member of UCP staff for payroll administration. This was an informal and undocumented arrangement, which had existed in one form or another for at least several years. There was inevitably some risk in this, given the nature of the arrangement, but the Treasurer and the trustees believed it was in UC's best interests because of the benefits of having payroll administration undertaken by somebody with appropriate expertise and experience, and free of charge. However, towards the end of 2023-24 UCP informed UC of their decision to end this arrangement because UCP could not continue to make the staff time available. In 2024-25 UC will therefore have to make alternative arrangements for payroll administration. This will necessarily be a commercial arrangement with an external party, and so will inevitably carry a cost, which is not desirable; but it will also provide stability and certainty, and may offer an opportunity to reduce the number of single-points-of-failure in UC's payroll process. The trustees have determined that it would be prudent to identify any other informal and undocumented administrative entanglements with UCP on which UC depends, and to formalise them either by making an explicit agreement with UCP or by engaging another party to provide the service.

## Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and UK Accounting Standards including Financial Reporting Standard 102 (FRS 102) *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice (GAAP)).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its income and expenditure during that year. In preparing these financial statements, the trustees are required to:

- choose suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- confirm that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charity will continue to operate.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the provisions of the charity's trust deed or constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the information, including any financial information, included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 26<sup>th</sup> Jan '25 and signed on their behalf by

  
**MG Jones**  
**Church Secretary**

## Independent Examiner's Report to the Trustees of Union Chapel

I report to the trustees on my examination of the accounts of Union Chapel for the year ended 31 March 2024.

### Responsibilities and basis of report

As the charity trustees of Union Chapel, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (hereafter "the Act").

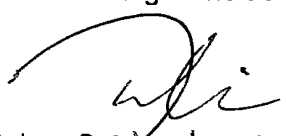
I report in respect of my examination of Union Chapel's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of Union Chapel as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Date: 28/01/2025  
Julian Flitter FCA  
Goodman Jones LLP  
Arthur Stanley House  
40-50 Tottenham Street  
London  
W1T 4RN



**Statement of Financial Activities for the Period 1 April 2023 – 31 March 2024**

	Note	2023-24 Unrestricted £	2023-24 Restricted £	2023-24 Total £	2022-23 Total £
<b>Income from</b>					
Grants & donations	2	7,997	137,205	145,202	86,952
Charitable activities	3	7,865	5,279	13,144	12,835
Other trading activities	4	228,965	-	228,965	148,061
Investments & deposits	5	901	-	901	205
<b>Total income</b>		<b>245,727</b>	<b>142,484</b>	<b>388,211</b>	<b>248,053</b>
<b>Expenditure on</b>					
<i>Raising funds</i>	6				
Properties		25,396	-	25,396	14,786
Fundraising		1	-	1	751
<i>Charitable activities</i>	6				
Church activities		126,720	-	126,720	149,756
Events		35,398	-	35,398	14,384
Weddings & funerals		1,760	-	1,760	1,188
Union Chapel Singers		-	5,925	5,925	4,496
Asylum seekers		-	115,329	115,329	17,900
<b>Total expenditure</b>		<b>189,277</b>	<b>121,254</b>	<b>310,530</b>	<b>203,261</b>
<b>Net income / (expenditure) before revaluation of investments</b>		<b>56,450</b>	<b>21,230</b>	<b>77,681</b>	<b>44,792</b>
Net gains / (losses) on investments	10	18	-	18	(276)
<b>Net income / (expenditure)</b>	7	<b>56,468</b>	<b>21,230</b>	<b>77,698</b>	<b>44,516</b>
Inter-fund transfers		-	-	-	-
<b>Net movement in funds</b>		<b>56,468</b>	<b>21,230</b>	<b>77,698</b>	<b>44,516</b>
Total funds brought forward		196,608	57,615	254,223	209,707
<b>Total funds carried forward</b>		<b>253,076</b>	<b>78,846</b>	<b>331,922</b>	<b>254,223</b>

All the above results were derived from continuing activities.  
There were no recognised gains or losses other than those stated above.  
The following notes form part of these financial statements.

**Balance Sheet as at 31 March 2024**

	Note	31 March 2024 £	31 March 2023 £
<b>Fixed assets</b>			
Tangible fixed assets	9	28,825	32,877
Investments	10	1,086	1,068
		<b>29,911</b>	<b>33,945</b>
<b>Current assets</b>			
Debtors	11	162,105	55,000
Cash at bank and in hand		163,582	179,352
		<b>325,687</b>	<b>234,352</b>
<b>Liabilities</b>			
Creditors – amounts falling due within one year	12	(23,677)	(14,073)
<b>Net current assets / (liabilities)</b>		<b>302,011</b>	<b>220,278</b>
<b>Total net assets / (liabilities)</b>		<b>331,922</b>	<b>254,223</b>
<b>Funds</b>	13		
Restricted funds		78,845	57,615
Unrestricted funds		253,076	196,608
<b>Total funds</b>		<b>331,922</b>	<b>254,223</b>

The following notes form part of these financial statements.

Approved by the trustees on 2025-01-26 and signed on their behalf by

*Philip Cotterell*

**Philip Cotterell**  
Treasurer

## Notes to the Financial Statements

### 1 Accounting policies

#### a) Basis of preparation

These financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)" – Charities SORP FRS 102 – and with the Charities Act 2011.

UC meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated.

The financial statements are prepared and presented in GBP (sterling), which is UC's functional currency. Amounts in the financial statements and the notes are rounded to the nearest pound (which may introduce some apparent small discrepancies; e.g., row and column totals may not appear to be exactly correct).

#### b) Going concern

In the judgement of the trustees, at the date of approving these financial statements:

- there are no material uncertainties about UC's ability to continue as a going concern; and
- there are no sources of estimation uncertainty which carry a significant risk of requiring a material adjustment to the carrying amounts of assets and liabilities within the next financial year (2024-25).

#### c) Income

Income is recognised in the period during which the church is entitled, and can reasonably expect, to receive it, and the amount can be assessed with reasonable certainty. Cash donations are recognised on the date of bank deposit.

#### d) Expenditure

Expenditure is recognised in the period during which it is incurred – most expenditure is in practice recognised on the relevant invoice date – and includes non-recoverable VAT.

e) Tangible fixed assets and depreciation

Tangible fixed assets with an original purchase price or cost of £1,000 or more are capitalised, and stated at original cost less depreciation. Depreciation is charged on a reducing balance basis at annual rates intended to write off the costs of these assets over their estimated useful lives: 10% for improvements to the church's properties, and 25% for church and office equipment.

f) Investments

UC has an investment which is held by Congregational Federation Ltd as custodian. Investment income is paid into a COIF Deposit Fund held by CCLA Investment Management Ltd and administered by Congregational Federation Ltd.

g) Funds

UC's unrestricted (general) funds comprise those monies which UC may use at the trustees' discretion to further its charitable objects. These may include designated funds, set aside by the trustees at their own discretion for particular purposes.

UC's restricted funds comprise monies raised or given for specific purposes, which may be used only for those purposes.

The purposes of UC's designated and restricted funds on the balance sheet date are set out in note 14.

**2 Income from grants and donations**

			<b>2023-24</b>	<b>2022-23</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants	-	135,785	<b>135,785</b>	<b>78,020</b>
Donations	7,997	1,420	<b>9,417</b>	<b>8,932</b>
	<b>7,997</b>	<b>137,205</b>	<b>145,202</b>	<b>86,952</b>

**3 Income from charitable activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
Events	5,418	-	5,418	6,776
Weddings & funerals	2,447	-	2,447	2,954
Choir (Union Chapel Singers)	-	5,279	5,279	3,105
	<b>7,865</b>	<b>5,279</b>	<b>13,144</b>	<b>12,835</b>

**4 Income from other trading activities**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
Rental income	150,054	-	150,054	148,061
Dilapidations payments	78,911	-	78,911	-
Other income	-	-	-	-
	<b>228,965</b>	<b>-</b>	<b>228,965</b>	<b>148,061</b>

**5 Income from investments and deposits**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
Interest	857	-	857	161
Investment income	44	-	44	44
	<b>901</b>	<b>-</b>	<b>901</b>	<b>205</b>

**6 Analysis of expenditure**

	Charitable activities					Raising funds		2023-24 Total £	2022-23 Total £
	Church	Events	Weddings & funerals	Choir (UC Singers)	Asylum seekers	Fundraising	Properties		
	£	£	£	£	£	£	£		
Payroll	86,902				45,167			132,069	103,400
Events		35,398						35,398	14,384
Sunday services	7,251							7,251	6,164
Choir (UC Singers)				5,925				5,925	4,496
Gospel Arts project (UC Voices)	2,361							2,361	15,148
Donations to UCP & other charities	18,360							18,360	16,360
Church equipment & resources	1,706							1,706	4,156
Social justice & community engagement								-	7,954
Asylum seekers					69,933			69,933	3,416
Weddings & funerals			1,760					1,760	1,188
Governance	5,456							5,456	6,871
Fundraising								-	750
Properties							22,618	22,618	11,699
Depreciation	1,044				229		2,779	4,051	4,784
Miscellaneous costs	3,640					1		3,641	2,491
<b>Total expenditure 2023-24</b>	<b>126,720</b>	<b>35,398</b>	<b>1,760</b>	<b>5,925</b>	<b>115,329</b>	<b>1</b>	<b>25,396</b>	<b>310,530</b>	
<b>Total expenditure 2022-23</b>	<b>149,756</b>	<b>14,384</b>	<b>1,188</b>	<b>4,496</b>	<b>17,900</b>	<b>751</b>	<b>14,786</b>		<b>203,261</b>

**7 Net income / (expenditure)**

This is stated after charging:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Depreciation	4,051	4,784
Independent examiner's fee	4,200	3,600

**8 Staff costs and trustee remuneration and expenses**

Payroll costs were:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Salaries and wages	130,267	93,191
Social security costs (Employer's NI)	6,225	8,992
Employer's contribution to Defined Contribution pension schemes	1,886	1,216
Reversal of incorrectly accrued liability to HMRC	(6,308)	-
	<b><u>132,069</u></b>	<b><u>103,400</u></b>

The trustees were not paid. No trustee was employed by or received any benefit as a result of employment by UC. No trustee claimed any reimbursable expenses.

One trustee was paid on three separate occasions for singing during a church event or service. The fee in each case was £100. Decisions about the musicians to be engaged for any particular event or service were made by the Minister or the Organist / Musical Director and the trustees were not directly involved in these decisions.

No member of staff was paid more than £60,000.

**Staff numbers**

	<b>2023-24</b>	<b>2022-23</b>
Average (modal) monthly number of employees	6	4

At the balance sheet date, UC's permanent staff establishment consisted of:

- Minister (part-time);
- Social Justice & Community Outreach Worker (full-time);
- Communications & Development Worker (full-time);
- Organist / Musical Director (part-time); and
- Administrator (part-time).

A sixth (part-time) member of staff, ESOL & Volunteer Co-ordinator, was funded entirely by the grant from Islington Borough Council and is not part of the permanent establishment.

**Use of restricted funds to meet payroll costs**

During 2023-24 a small part of the Minister's salary and a significant fraction of the Social Justice & Community Outreach Worker's salary were funded by the grant from Islington Borough Council given to support UC's work with asylum seekers. This use of the money was anticipated and explicitly disclosed in the budget which formed part of the grant application, and is intended to reflect staff time spent on the grant-funded activities.

The grant also funds the ESOL & Volunteer Co-ordinator position. That member of staff works exclusively on grant-funded activities.



**9 Tangible fixed assets and depreciation**

	<b>Property Improvements</b>	<b>Church &amp; Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At start of year	75,550	23,610	<b>99,160</b>
Additions during year	-	-	-
Disposals during year	-	-	-
At end of year	<u>75,550</u>	<u>23,610</u>	<u><b>99,160</b></u>
<b>Depreciation</b>			
At start of year	47,764	18,519	<b>66,283</b>
Charge for year	2,779	1,273	<b>4,051</b>
Eliminated on disposal	-	-	-
At end of year	<u>50,543</u>	<u>19,792</u>	<u><b>70,335</b></u>
<b>Net book value</b>			
At end of year	<u><b>25,007</b></u>	<u><b>3,818</b></u>	<u><b>28,825</b></u>
At start of year	<u>27,786</u>	<u>5,091</u>	<u><b>32,877</b></u>

**10 Investments**

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
At start of year	1,068	1,344
Gain / (loss) during year	18	(276)
At end of year	<u><b>1,086</b></u>	<u><b>1,068</b></u>

**11 Debtors**

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Prepayments	-	-
Accrued income	162,105	55,000
	<b>162,105</b>	<b>55,000</b>

**12 Creditors: amounts falling due within one year**

	<b>2023-24</b>	<b>2022-23</b>
	<b>£</b>	<b>£</b>
Other creditors	23,677	14,073
	<b>23,677</b>	<b>14,073</b>

**13 Net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets (net book value)	28,140	686	28,825
Investment	1,086	-	1,086
Net current assets	223,851	78,160	302,011
	<b>253,076</b>	<b>78,845</b>	<b>331,922</b>

**14 Movements in funds****2023-24**

	<b>At start of year</b>	<b>Incoming resources &amp; gains</b>	<b>Outgoing resources &amp; losses</b>	<b>At end of year</b>
	£	£	£	£
<b>Unrestricted funds</b>				
<i>Designated funds</i>				
Properties reserve	80,000	78,911	(8,064)	150,847
Other unrestricted funds	116,608	166,833	(181,213)	102,229
<b>Total unrestricted funds</b>	<b>196,608</b>	<b>245,745</b>	<b>(189,277)</b>	<b>253,076</b>
<b>Restricted funds</b>				
Union Chapel Singers	4,364	5,279	(5,925)	3,718
Asylum seekers grant	52,145	136,085	(114,818)	73,412
Asylum seekers hardship fund	1,106	1,120	(511)	1,715
<b>Total restricted funds</b>	<b>57,615</b>	<b>142,484</b>	<b>(121,254)</b>	<b>78,845</b>
<b>Total funds</b>	<b>254,223</b>	<b>388,229</b>	<b>(310,530)</b>	<b>331,922</b>

<b>2022-23</b>	<b>At start of year £</b>	<b>Incoming resources &amp; gains £</b>	<b>Outgoing resources &amp; losses £</b>	<b>At end of year £</b>
<b>Unrestricted funds</b>				
<i>Designated funds</i>				
Properties reserve	80,000	-	-	80,000
Other unrestricted funds	123,952	172,797	(180,141)	116,608
<b>Total unrestricted funds</b>	<b>203,952</b>	<b>172,797</b>	<b>(180,141)</b>	<b>196,608</b>
<b>Restricted funds</b>				
Union Chapel Singers	5,755	3,105	(4,496)	4,364
Asylum seekers grant	-	70,000	(17,855)	52,145
Asylum seekers hardship fund	-	1,151	(45)	1,106
Black History Month	-	1,000	(1,000)	-
<b>Total restricted funds</b>	<b>5,755</b>	<b>75,256</b>	<b>(23,396)</b>	<b>57,615</b>
<b>Total funds</b>	<b>209,707</b>	<b>248,053</b>	<b>(203,537)</b>	<b>254,223</b>

The properties reserve fund comprises money set aside by the trustees against the anticipated costs of work on the church's properties at 18 and 19 Compton Terrace together with the costs of legal and other professional services associated with that work and with the changes of tenants. A small part of this fund was spent during 2023-24 and it is expected that the rest will be spent during 2024-25.

UC had three restricted funds on the balance sheet date:

- Union Chapel Singers – money raised, principally from participants' subscriptions, to support the activities of Union Chapel Singers;
- Asylum seekers grant – grant money received from Islington Borough Council to fund specified work supporting asylum seekers currently accommodated within the borough (supplemented by a small amount of money donated specifically to support this work);
- Asylum seekers hardship fund – money raised through collections at certain church events, together with certain individual donations, to be spent at the discretion of the Minister and / or the Social Justice & Community Outreach Worker for the purpose of meeting occasional identified needs of individual asylum seekers known to UC.

## **15 Related party transactions**

UC's Minister is a director of UCP, in accordance with UCP's Articles of Association. The chair of UCP's Board of Directors is a member of UC. One individual who was a trustee of UC during the year is married to the chair of UCP's Board of Directors.

UCP paid rent of £16,000 to UC for office space in UC's property at 19 Compton Terrace.

During some church events, UCP operates the bar in the church building and passes the net profits to UC. (The definition of "net profits" for this purpose is set out in an agreement between UC and UCP.) UC received £5,159 from UCP under this arrangement.

UC made a donation to UCP of £18,000.

For some years it was "understood" that UC's agreed annual donation to UCP was £16,000, but the basis on which this amount had been established was obscure. UC and UCP have now agreed that UC's donation to UCP each year will be the amount that would have been due had UC entered into a cost-sharing agreement with UCP covering the electricity and gas supplied to the church building, and insurance (which UCP procures collectively for itself, its subsidiary organisations, and UC). However, this does remain strictly a donation, made at UC's discretion in accordance with the Management Agreement, and UCP is not entitled to demand it.

UC's Minister was chair of UCM's trustees during the year.

UC paid UCM £4,011 for providing activities as part of UC's grant-funded work with asylum seekers. These activities were anticipated and included in the budget supporting the grant application.

UC also paid UCM £1,500 for catering at a church event.

On one occasion it was judged to be expedient to make a payment of £600 for legal advice for UCM out of UC's bank account in the first instance, and to subsequently obtain reimbursement from UCM.

## **16 Legal status and members' liability**

UC is an unincorporated charitable trust. The original trust deed is dated 18 September 1889; it was amended in 2018 using the power of modification conferred by section 280 of the Charities Act 2011.

The members have no financial liability in the event of UC being wound up.